

REMARKS

Claims 1-20 and 22-27 are currently pending in the application. Claims 1, 9, and 16 are independent claims. Claim 21 is canceled, claims 1, 9-12, 14, 16-20 and 23 are amended, and claims 26 and 27 are added. Support for the amendment to claims 1, 9 and 16 and new claims 26 and 27 can be found on page 4, line 19 to page 5, line 19 of the specification. Reconsideration of all pending claims in view of the following remarks is respectfully requested.

The Examiner cannot properly make the next action Final

Inasmuch as the Examiner has failed, in the instant Official action, to fully and/or properly consider the merits of claims 10-12, Applicants submit that the next action cannot be made final. Applicants note, in particular, that while claims 10-12 were mentioned in body of the 102(e) rejection over SLATER, these claims were not specifically noted or listed in the preamble of the rejection. As such, Applicants are, at best, unsure and, at worst, unable to determine whether these claims have in fact been rejected over prior art.

Accordingly, Applicant respectfully requests that the Examiner carefully consider and treat the merits of all pending claims in the next Official action.

35 U.S.C. § 112 Rejection

Claim 8 is rejected under 35 U.S.C. § 112, first paragraph, as allegedly being a single means claim and therefore having undue breadth. Applicants respectfully traverse this basis of rejection.

Claim 8 depends from claim 1 or claim 2 and recites means for carrying out the steps of claims 1 or 2. Under current US patent law, a means plus function claim interpreted under 35 U.S.C. § 112, paragraph six, necessarily recites, inter alia, the means disclosed in the specification and their equivalents. As a result, claim 8 cannot have undue breadth not contemplated by the inventors as asserted by the Examiner because this claim necessarily recites only those means disclosed in the specification and their equivalents, and those means which are required to carry out the multiple steps of claims 1 or 2.

In view of the above, Applicants request that the Examiner reconsider and withdraw the instant rejection.

35 U.S.C. §102(e) Rejection

Claims 1-3 and 9 are rejected under 35 U.S.C. §102(e) as being anticipated by U.S. Patent No. 6,098,053 to SLATER ("SLATER"). This rejection is respectfully traversed.

In order to establish a *prima facie* case of anticipation under 35 U.S.C. § 102, a single prior art reference must disclose each and every element as set forth in the subject claim. *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631, 2 USPQ 2d 1051, 1053 (Fed. Cir. 1987). Applicant respectfully submits that a *prima facie* case of anticipation cannot be established because SLATER fails to teach each and every element of the claims.

In particular, independent claim 1 recites, *inter alia*,

one of:

checking, by said electronic payment center, whether the electronic

payment center has received a pre-validation from a third party;
contacting a third party via a communication network and requesting that
the third party validate the purchase, and
contacting a third party via a communication network and requesting said
at least one PIN code from the third party,
wherein the third party a prime owner of the credit/debit card.

Moreover, independent claim 9 recites, *inter alia*,

wherein the requesting comprises one of:
contacting the third party via a communication network and requesting that
the third party validate the sale; and
contacting the third party via a communication network and requesting the
buyer PIN code from the third party, and
wherein the third party is a prime owner of the credit/debit card.

Applicant submits that SLATER does not disclose, or even suggest, at least these
features.

Applicant acknowledges that col. 5, line 46 to col. 6, line 30 and col. 7, lines 60-
65 of SLATER discloses a system for conducting a purchase between a buyer 2 and a
seller 14 after the buyer submits a credit card number and a PIN. The system allows
the seller 14 to send information which includes the card number and PIN to a financial
institution 22 who, in turn, sends a transaction request to the buyer's bank 28. If the
request is approved by the buyer's bank 28, the financial institution 22 notifies the seller
14 of the approval in order to approve or authorize the transaction.

However, it is clear that the system in SLATER does not utilize an electronic
payment center which interacts with a third party who is the prime owner of the card and
which can (1) check whether the electronic payment center has received a pre-
validation from a third party, or (2) contact the third party via a communication network
and request that the third party validate the purchase, or (3) contact the third party via a
communication network and request said at least one PIN code from the third party, or

(4) contact the third party via a communication network and requesting that the third party validate the sale, or contact the third party via a communication network and requesting the buyer PIN code from the third party. To the contrary, the system in SLATER provides for interaction only between the merchant 14 and the financial institution 22 and between the financial institution 22 and the buyer's bank 28. Furthermore, while it can be argued the financial institution 22 or the buyer's bank 28 constitutes a third party, it cannot reasonably be argued that the financial institution 22 or the buyer's bank 28 is the prime owner of the card.

Applicants emphasize that whereas SLATER requires interaction between a financial institution 22 and the buyer's bank 28 to validate or authorize the purchase between a buyer and a seller who has received card information from the buyer, the invention performs validation and approval between an electronic payment center and a third party who is the prime owner of the card. SLATER also requires an intermediary (i.e., the financial institution 22) between the seller 14 and the party approving the purchase (i.e., the buyer's bank 28). Finally, the invention only requires, for approval, interaction between the electronic payment center and the third party or by the electronic payment center conducting a pre-validation resulting to a previous interaction between the third party and the electronic payment center.

Applicants emphasize that, in SLATER, PIN 60 (Figure 3) is the secret PIN code associated with the credit card. This is the PIN code that is commonly used on credit cards nowadays. This PIN code is secret and is not given to any seller. Even for internet transactions, it is not recommended to transmit this PIN code. A identification number located on the back of the card is generally used to cross check the validity of credit

cards. The plurality of PIN codes described and claimed in the present invention different from the common PIN codes used on ATM machines to get cash which is disclosed in SLATER. Unlike the PIN codes commonly used and mentioned in SLATER, the PIN codes according to the present invention need not be secret, even if they are not disclosed to everyone. The PIN codes according to the present invention instead indicate that the buyer has some rights to buy with the card up to a given amount. To validate these rights, verification with a third party is required. This third party is generally not the payment center. Both type of PIN codes: the secret PIN code known only by the owner and used on ATM and the public buyer PIN codes which can be given to sellers to validate transactions; can coexist on a credit card. The public buyer PIN codes are similar to the security number (generally 3 digits) written on the rear side (CB, mastercard) or the front side (4 digits) (AMEX) of a credit card except that public buyer PIN codes are not written, not unique, and have different levels. The difference between private and public PIN codes is clearly defined on page 5 second paragraph of the specification which explains that public PIN codes can be derived with some algorithm from the secret "original" PIN code.

Thus, Applicant respectfully submits that independent claims 1 and 9 and dependent claims 2 and 3 (and, if rejected, dependent claims 10-12) are allowable.

Accordingly, Applicants respectfully submit that the rejection under 35 U.S.C. § 102(e) should be withdrawn.

35 U.S.C. § 103 Rejections

Claims 4, 13-15 and 20 are rejected under 35 U.S.C. § 103(a) as being unpatentable over SLATER as applied to claims 3 and 9 in view of U.S. Patent No. 5,999,624 to HOPKINS. Claim 5 is rejected under 35 U.S.C. § 103(a) as being unpatentable over SLATER and HOPKINS as applied to claim 4, in further view of U.S. Patent No. 5,953,710 to FLEMING. Claims 6, 7 and 21 are rejected under 35 U.S.C. § 103(a) as being unpatentable over SLATER, HOPKINS and FLEMING as applied to claim 5, in further view of U.S. Patent No. 6,205,437 to GIFFORD. Independent claim 16 is rejected under 35 U.S.C. § 103(a) as being unpatentable over SLATER in view of GIFFORD. Claims 17-19 are rejected under 35 U.S.C. § 103(a) as being unpatentable over SLATER and GIFFORD as applied to claim 16, in further view of HOPKINS. Claim 22 is rejected under 35 U.S.C. § 103(a) as being unpatentable over SLATER as applied to claim 1, in further view of U.S. Patent No. 6,014,650 to ZAMPESE. Claims 23-25 is rejected under 35 U.S.C. § 103(a) as being unpatentable over SLATER as applied to claim 1, in further view of U.S. Patent No. 6,213,391 to LEWIS. Each of these rejections is respectfully traversed.

Allowability of Independent Claims 1, 9 and 16

Neither SLATER or the combination of SLATER and GIFFORD disclose or suggest each and every element of at least claims 1, 9 and 16, as is required for a *prima facie* case of obviousness to be established.

Specifically, independent claim 1 recites, in pertinent part:

one of:

checking, by said electronic payment center, whether the electronic

payment center has received a pre-validation from a third party;
contacting a third party via a communication network and requesting that
the third party validate the purchase, and
contacting a third party via a communication network and requesting said
at least one PIN code from the third party,
wherein the third party is a prime owner of the credit/debit card.

Moreover, independent claim 9 recites, *inter alia*,

wherein the requesting comprises one of:
contacting the third party via a communication network and requesting that
the third party validate the sale; and
contacting the third party via a communication network and requesting the
buyer PIN code from the third party, and
wherein the third party is a prime owner of the credit/debit card.

Finally, independent claim 16 recites:

performing a pre-validation of buyer information with a third party;
performing a validation with the transaction information from the buyer and
the seller by the electronic payment center using a credit/debit card number and
a PIN code provided by the buyer; and
providing authentication for a sale by an electronic transaction when the
pre-validation and validation provide authorization,
wherein the third party is a prime owner of the credit/debit card.

As explained above, SLATER discloses a system for conducting a purchase
between a buyer 2 and a seller 14 after the buyer submits a credit card number and a
PIN. The system allows the seller 14 to send information which includes the card
number and PIN to a financial institution 22 who, in turn, sends a transaction request to
the buyer's bank 28. If the request is approved by the buyer's bank 28, the financial
institution 22 notifies the seller 14 of the approval in order to approve or authorize the
transaction. SLATER does not, however, utilize an electronic payment center which
interacts with a third party who is the prime owner of the card and which can (1) check
whether the electronic payment center has received a pre-validation from a third party,
or (2) contact the third party via a communication network and request that the third

party validate the purchase, or (3) contact the third party via a communication network and request said at least one PIN code from the third party, or (4) contact the third party via a communication network and requesting that the third party validate the sale, or contact the third party via a communication network and requesting the buyer PIN code from the third party. To the contrary, the system in SLATER provides for interaction only between the merchant 14 and the financial institution 22 and between the financial institution 22 and the buyer's bank 28. Furthermore, while it can be argued the financial institution 22 or the buyer's bank 28 constitutes a third party, it cannot reasonably be argued that the financial institution 22 or the buyer's bank 28 is the prime owner of the card.

It is also clear that SLATER is entirely silent with regard to performing a pre-validation of buyer information with a third party and performing a validation with the transaction information from the buyer and the seller by the electronic payment center using a credit/debit card number and a PIN code provided by the buyer wherein the third party is a prime owner of the credit/debit card.

While acknowledging that SLATER fails to disclose or suggest performing a pre-validation of buyer information with a third party and performing a validation with the transaction information from the buyer and the seller by the electronic payment center, the Examiner nevertheless asserts that these features are taught by GIFFORD. Applicants respectfully disagrees and submits that GIFFORD fails to cure the deficiencies of SLATER.

The passage cited by the Examiner in GIFFORD merely teaches pre-validating buyer information using a separate payment computer. GIFFORD discloses that a

buyer computer prepares a payment order and sends it to a separate payment computer for validation. Once validated, the payment computer returns an unforgeable certificate to the merchant computer, which then performs fulfillment and sends the purchased product(s) to the buyer. Thus, GIFFORD teaches providing authentication for a sale by electronic transaction when the pre-validation alone provides validation. In contrast, the claimed invention provides authentication for a sale only when both the pre-validation (provided by 3rd party) and validation (performed by the electronic business center) provide authorization.

It is also clear that GIFFORD is entirely silent with regard to performing a validation with the transaction information from the buyer and the seller by the electronic payment center using a credit/debit card number and a PIN code provided by the buyer in combination with the third party being a prime owner of the credit/debit card.

For at least these reasons, independent claims 1, 9 and 16 are allowable over SLATER with or without GIFFORD.

Allowability of Dependent Claims 4-7, 13-15 and 20-25

The rejections of dependent claims 4-7, 13-15 and 20-25 over SLATER in view of HOPKINS, or SLATER in view of HOPKINS and FLEMING, or SLATER in view of HOPKINS, FLEMING and GIFFORD, or SLATER in view of ZAMPESE, or SLATER in view of LEWIS, are improper at least because SLATER does not disclose or suggest an electronic payment center which interacts with a third party who is both a living human being and the prime owner of the card and which can (1) check whether the electronic payment center has received a pre-validation from a third party, or (2) contact the third

party via a communication network and request that the third party validate the purchase, or (3) contact the third party via a communication network and request said at least one PIN code from the third party, or (4) contact the third party via a communication network and requesting that the third party validate the sale, or contact the third party via a communication network and requesting the buyer PIN code from the third party. Moreover, the system in SLATER provides for interaction only between the merchant 14 and the financial institution 22 and between the financial institution 22 and the buyer's bank 28. Furthermore, while it can be argued the financial institution 22 or the buyer's bank 28 constitutes a third party, it cannot reasonably be argued that the financial institution 22 or the buyer's bank 28 is the prime owner of the card.

Applicants acknowledge that HOPKINS teaches to verify both an account number and a PIN (see col. 9, lines 55-62). However, it is clear from the cited passage that this is accomplished by checking a database. HOPKINS does not disclose or suggest an electronic payment center which interacts with a third party who is the prime owner of the card and which can (1) check whether the electronic payment center has received a pre-validation from a third party, or (2) contact the third party via a communication network and request that the third party validate the purchase, or (3) contact the third party via a communication network and request said at least one PIN code from the third party, or (4) contact the third party via a communication network and requesting that the third party validate the sale, or contact the third party via a communication network and requesting the buyer PIN code from the third party.

Applicants acknowledge that FLEMING teaches a system which allows a card holder to set up a separate account for family member with a bank. The system also

allows the card holder to change the amount that the family member can purchase with their card (see col. 5, line 10 to col. 10, line 3). However, it is clear from a fair reading of FLEMING that the buyer does not provide both the PIN code and the card number to the bank. FLEMING also does not disclose or suggest an electronic payment center which interacts with a third party who is the prime owner of the card and which can (1) check whether the electronic payment center has received a pre-validation from a third party, or (2) contact the third party via a communication network and request that the third party validate the purchase, or (3) contact the third party via a communication network and request said at least one PIN code from the third party, or (4) contact the third party via a communication network and requesting that the third party validate the sale, or contact the third party via a communication network and requesting the buyer PIN code from the third party.

GIFFORD, as explained above, merely teaches pre-validating buyer information using a separate payment computer. GIFFORD discloses that a buyer computer prepares a payment order and sends it to a separate payment computer for validation. Once validated, the payment computer returns an unforgeable certificate to the merchant computer, which then performs fulfillment and sends the purchased product(s) to the buyer. Thus, GIFFORD teaches providing authentication for a sale by electronic transaction when the pre-validation alone provides validation. In contrast, the claimed invention provides authentication for a sale only when both the pre-validation (provided by 3rd party) and validation (performed by the electronic business center) provide authorization.

ZAMPESE teaches a system which allows a buyer to securely purchase items from an Internet seller using a card having an account code and a number of secret transaction codes (see col. 3, line 29 to col. 4, line 13). The system also utilizes an account manager 22 which checks a database to verify the authenticity of the account code and the transmitted transaction code (see col. 4, lines 1-13). However, it is clear from a fair reading of ZAMPESE that it does not disclose or suggest an electronic payment center which interacts with a third party who is the prime owner of the card and which can (1) check whether the electronic payment center has received a pre-validation from a third party, or (2) contact the third party via a communication network and request that the third party validate the purchase, or (3) contact the third party via a communication network and request said at least one PIN code from the third party, or (4) contact the third party via a communication network and requesting that the third party validate the sale, or contact the third party via a communication network and requesting the buyer PIN code from the third party.

LEWIS teaches a an ID system having the form of a card which is portable and that contains within its housing a number of items such as a verifying means (see col. 7, lines 35-59). However, it is clear from a fair reading of LEWIS that it does not disclose or suggest, among other things, an electronic payment center which interacts with a third party who is the prime owner of the card and which can (1) check whether the electronic payment center has received a pre-validation from a third party, or (2) contact the third party via a communication network and request that the third party validate the purchase, or (3) contact the third party via a communication network and request said at least one PIN code from the third party, or (4) contact the third party via a

communication network and requesting that the third party validate the sale, or contact the third party via a communication network and requesting the buyer PIN code from the third party.

Allowability of Dependent Claims 17-19

The rejection of dependent claims 17-19 over SLATER and GIFFORD as applied to claim 16, and further in view of HOPKINS is improper at least based on the traversal of the combination of SLATER and GIFFORD noted above. Consequently, withdrawal of this rejection is respectfully requested.

New Claims are also Allowable

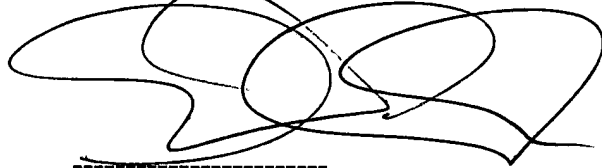
Applicants submit that the new claims 26 and 27 are allowable over the applied art of record. Specifically, claims 26 and 27 depend from claims which are believed to be allowable. Moreover, claims 26 and 27 recites a combination of features which are clearly not disclosed or suggested by the applied art of record. Accordingly, Applicants respectfully request consideration of these claims and further requests that the above-noted claims be indicated as being allowable.

CONCLUSION

In view of the foregoing remarks, Applicants submit that all of the claims are patentably distinct from the prior art of record and are in condition for allowance. The Examiner is respectfully requested to pass the above application to issue. The Examiner is invited to contact the undersigned at the telephone number listed below, if

needed. Applicants hereby make a written conditional petition for extension of time, if required. Please charge any deficiencies in fees and credit any overpayment of fees to **International Business Machines Deposit Account No. 09-0457 (Endicott).**

Respectfully submitted,
Jacques FIESCHI, *et al.*

A large, stylized handwritten signature in black ink, appearing to be 'AC', written over a horizontal dashed line.

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